

### REMARKS

This amendment is submitted on a preliminary basis prior to Applicant receiving any substantive Office Action on the merits of the subject application and/or a rejection of any of the claims presented in the application as originally filed.

This is a **second** Preliminary Amendment and comprises additional changes to one paragraph of the specification beginning at page 22, as set forth above. More specifically, the changes made by this second Preliminary Amendment relate to a change in the descriptive wording of the example provided from that originally presented when the subject application was filed. While the terms of the example loan described therein were altered by virtue of this Amendment, the substance of Applicant's invention as disclosed and claimed has not been altered. Accordingly, Applicant contends that the changes requested herein do not constitute new subject matter since the scope of protection now offered by the claims remain the same and the practical situation demonstrated by the referred to example are representative only of a large number of possible examples which could be encompassed by Applicant's claimed invention.

An additional purpose of changing the terminology of the example provided is to better conform the terminology to practical situations of the type more commonly utilized and understood in the banking, lending and related financial industries.

In that no substantive office action has been received by

Applicant prior to the preparation and filing of this second Preliminary Amendment, the changes made herein are not for the purpose of distinguishing Applicant's invention from any prior art reference. Based on the above, it is respectfully urged that this second Preliminary Amendment be entered for purposes of facilitating the prosecution of the subject application.

In addition to the above and in accordance with 37 C.F.R. 1.121, attached hereto is a marked-up version of the changes made to the specification by the current Amendment, which is captioned **"Version with Markings to Show Changes Made."**

Respectfully submitted,

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For: BI-CURRENCY DEBT CONTRACT SYSTEM AND PROCEDURE

VERSION WITH MARKINGS TO SHOW CHANGES MADE

In the specification:

The paragraph beginning at line 10 of page 22 has been amended as follows:

--To further illustrate the advantages of the lending system of the present invention an approximate exchange rate between Dominican pesos and U.S. dollars of 16.5 to 1, will be assumed. The example will further assume a cost of borrowing at the low first interest rate of 10% of the stable currency and a second high interest rate of 22% of a local currency of a secondary economy, for a [10] 5 year loan in the amount of US\$10 million dollars, with monthly payments. The monthly payment at 10% first interest rate is US\$[132,150.74] 212,470.45 compared to US\$[206,696.88] 276,189.12 at the 22% second interest rate. A difference of [56.41%] 29.99%, or US\$[74,546.14] 63,718.67 per month thereby exists. The higher monthly payment amount is continually paid for a predetermined number of payments (first debt service), until the total amount of the reserve fund has been established, even though the local currency exchange rate and economic conditions of the secondary economy remain stable. Thus, the monthly difference of US\$[74,546.14] 63,718.67 (\$[206,696.88] 276,189.12 minus \$[132,150.74] 212,470.45) is used to establish the reserve fund. The amount of the reserve fund becomes an additional benefit or "profit" to the borrowing entity if the reserve fund is never

utilized, since the reserve fund is returned to the borrowing entity, if the secondary economy remains stable. The lending model and procedure of the present invention converts the devaluation risk of the exchange rate between the first interest rate of a stable economy and the second interest rate of a secondary economy into generally additional financial benefits and/or profits to the borrowing entity.--